

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**RESPONSES OF POSTAL SERVICE WITNESS SMITH TO  
INTERROGATORIES OF THE NATIONAL POSTAL MAIL HANDLERS UNION,  
REDIRECTED FROM WITNESS RACHEL  
(NPMHU/USPS-T8-1 AND 10(b))**

The United States Postal Service hereby provides its response to the above-referenced interrogatories of the National Postal Mail Handlers Union ("NPMHU") dated January 11, 2012, redirected from Postal Service witness Rachel (USPS-T-8). Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

By its attorneys:

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**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS SMITH  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-1.** Please explain how the FTE reductions anticipated, as expressed in the Postal Service's Institutional Response to the Public Representatives First Interrogatory, PR/USPS-T8-1 relate to: (a) the staffing requirements for each facility, as identified in the ongoing AMP process; and (b) the cost savings as estimated by witness Bradley in Table 16 of his testimony.

**RESPONSE:**

- (a) There is no relationship between the Full Time Equivalent (FTE) reductions anticipated, as expressed in the Postal Service's Institutional Response to the Public Representatives First Interrogatory, PR/USPS-T8-1, and the staffing requirements for each facility, as determined by the AMP process.
- (b) The FTE reductions provided in the institutional response to PR/USPS-T8-1 are based on the savings estimates submitted in my testimony (USPS-T-9) and the testimony of witness Bradley (USPS-T-10). Specifically, the FTE reductions are a product of dividing the workhour (or salary and benefits dollar) savings by the workhours (or salary and benefits dollars) per FTE for a specific position. For example, the motor vehicle operator FTE reductions of 1,387.2 provided in the institutional response to PR/USPS-T8-1 are the ratio of 2,435,902 workhour savings identified by witness Bradley, USPS-T-10 at page 35 for LDC 34, divided by the Vehicle Driver workhours per FTE of 1,756 shown in witness Smith, USPS-T-9, Attachment 1.

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**NPMHU/USPS-T8-10.** On page 18 of your testimony, you state that “at impact sites without multiple mail processing locations within the commuting area. . . a greater reliance on accelerating normal attrition will be necessary in order to more timely capture staffing reduction savings.”

- (a) Please explain what the Postal Service has done to plan for “accelerating normal attrition” in such circumstances, including by identifying the locations where you anticipate that this greater reliance on accelerating normal attrition will be necessary.
- (b) Please confirm that the Postal Service’s projected costs savings as presented to the Commission presuppose that this acceleration of normal attrition will be achieved. If not confirmed, please explain why this is not accurate.

**RESPONSE:**

- (a) [Answered by Postal Service Witness Kevin Rachel (USPS-T-8).]
- (b) Not confirmed. The savings witness Bradley and I estimated in our testimonies constitute the annual ongoing savings the Postal Service could obtain after network rationalization has been fully implemented. Please see my testimony at pages 6 through 8. They do not presuppose the speed at which the cost savings will be achieved, including through the acceleration of normal attrition.